

AEROSPACE



Photo Credit:
Artist's rendition of Los Angeles Air
Force Base's activities, courtesy of Los
Angeles Air Force Base

"We have an opportunity to reassert the importance of California's military bases as a national asset by hosting the most advanced research and development activity in the aerospace industry."

**Lieutenant Governor
Cruz M. Bustamante
BRAC Letter to
California Congressional
Representatives,
July 1, 2004**

Already a leader in aeronautical research and development, California also has the largest aerospace industry in the nation. Cornering 24 percent of the \$83-billion worldwide market, the California aerospace industry directly contributes \$20 billion annually to our state's economy.¹³ This industry also provides more than 250,000 jobs with an average annual salary of more than \$55,000.¹⁴

Southern California, which employs more than half of all aerospace workers in the state, has shown recent positive trends in aerospace employment, reflecting a general upswing in the overall industry.¹⁵ Companies in Los Angeles, Orange and San Diego counties were awarded a total of \$36.4 billion in Department of Defense contracts during the 2001-2003 fiscal years¹⁶ and local firms have been granted subcontracts pertaining to Airbus A380 and Boeing 7E7 aircraft.¹⁷ Global uncertainty fueled by the September 11 attacks also has increased the military and civilian demand for satellite communications, unmanned aerial vehicles and high-technology command-and-control devices.¹⁸ In fact, recent job gains in Los Angeles, Orange and San Diego counties suggest even more growth for 2005.¹⁹

Despite these positive trends, California's aerospace industry is still faced with concerns, including the uncertain climate at NASA, delayed production of the F-35 Joint Strike Fighter program and the federal Base Realignment and Closure (BRAC) process. Aerospace businesses also are concerned about the cost of doing business in California. While much of the highly-advanced research, development and specialized parts businesses have continued to flourish, other businesses have moved some of their manufacturing operations to other states.²⁰

The Commission has actively supported efforts to retain the state's aerospace industry and safeguard thousands of jobs in our state by:

- Proposing an innovative bipartisan partnership between the California Congressional Delegation and the national aerospace industry to protect California's military bases from the upcoming round of BRAC closures, which would severely hamper our economic recovery.
- Encouraging congressional leaders to accelerate funding for the F/A-22 fighter jet program and the more than 400 jobs it would create.
- Ensuring representation of the state's aerospace industry through the Commission Chair's role as a Vice-Chair of the Aerospace States Association.
- Holding a hearing on the needs of California's aerospace industry.

The CED has also supported the Pasadena-based NASA Jet Propulsion Laboratory's Cassini-Huygens spacecraft mission to explore Saturn, and urged congressional leaders to fully fund NASA's budget appropriation. In November 2004, NASA's 2005 \$16.2-billion budget was fully funded, providing an estimated economic benefit to California of more than \$3 billion.

¹³ California Space Authority, "California Space Enterprise Strategic Plan," 2004, <http://www.californiaspaceauthority.org>.

¹⁴ Ibid.

¹⁵ Los Angeles County Economic Development Corporation, "2004-2005 Economic Forecast and Industry Outlook," July 2004.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Los Angeles County Economic Development Corporation, "2004-2005 Economic Forecast and Industry Outlook," July 2004.